

News from the FPPC



California Fair Political Practices Commission
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FPPC Enforcement Decisions: January 10, 2008 ***\$55,000 fine for money laundering assessed***

The following are enforcement decisions approved by the Fair Political Practices Commission at its regular monthly meeting held in Sacramento on Thursday, January 10, 2008. Decisions are divided by category and include a brief summary of each case and the total amount of any administrative fine or fines in each case.

Additional information on each of the enforcement cases below can be found in the January agenda on the FPPC website at www.fppc.ca.gov. FPPC agendas are distributed and posted on the agency website 10 days prior to each monthly meeting.

The web version of the agenda includes links to the stipulations agreed to by the commission and by the individuals and organizations subject to the fines, or the default decisions proposed to the commission. Exhibits in support of the stipulations and proposed default decisions are also available on the website. If you are unable to access the FPPC website, or need further assistance, please call the FPPC communications office at (916) 322-7761.

Campaign Money Laundering

California law requires those giving or receiving monetary contributions of \$100 or more to affect the outcome of political contests to provide certain information identifying the contributor, their employer and the amount of the contribution. Providing the public with the sources of contributions is a fundamental component of the philosophy of the Political Reform Act.

The following concealed the true source of campaign contributions:

Latino Builders Industry Association, a business league organization located in San Diego, laundered eleven campaign contributions, totaling \$2,600. These laundered contributions were made in the name of the association's employees, business associates and/or their family members to candidates for city councils, school district boards, and the state Assembly between November 2001 and October 2004. **\$55,000** fine.

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Campaign Reporting and Recordkeeping Violations

Galen Duane Chamberlain, Duane Chamberlain for Supervisor and Shirley Stover

Galen Duane Chamberlain was a successful candidate for the Yolo County Board of Supervisors in the November 2004 General Election, Duane Chamberlain for Supervisor was a committee controlled by Chamberlain, who also served as its treasurer. Shirley Stover was the committee's assistant treasurer. Chamberlain and Stover failed to deposit contributions made by Chamberlain's sole proprietorship, into a single, designated campaign bank account prior to expenditure, and made cash expenditures of \$100 or more. **\$5,000** fine.

Hector Delgado and Friends of Hector Delgado

Hector Delgado was elected to the South El Monte City Council on March 4, 2003. Friends of Hector Delgado was a committee controlled by Delgado, who also served as its treasurer. Delgado failed to disclose the source of a contribution of \$100 or more in a post-election semi-annual campaign statement for the reporting period February 16, 2003 through June 30, 2003. Delgado also failed to maintain the detailed accounts, records, bills and receipts necessary to prepare the post-election semi-annual campaign statement for the reporting period February 16, 2003 through June 30, 2003, to establish that the campaign statement was properly filed, and to comply with other campaign reporting provisions. **\$2,500** fine.

T-Bird Restaurants Committee Opposing Proposition 72 and Mikkel Christensen

T-Bird Restaurant Group, Inc. ("T-Bird") is a California corporation located in La Jolla, California. On October 14, 2004, T-Bird received \$2,000 contributions from 57 of its 60 franchise restaurants. The next day, the \$114,000 collected was contributed to Californians Against Government Run Healthcare, A Committee Against Proposition 72 for the November 2, 2004, election. T-Bird registered as a sponsored, primarily formed ballot measure committee on October 31, 2005, under the name T-Bird Restaurants Committee Opposing Proposition 72 with Mikkel Christensen listed as the treasurer. T-Bird and Christensen failed to file a statement of organization within 10 days of qualifying as a committee, failed to timely file a pre-election campaign statement, and failed to disclose within 24 hours of receipt, 32 contributions of \$1,000 or more. **\$6,000** fine.

Statements of Economic Interests

California law requires elected officials, certain board members and governmental employees, and consultants employed by governmental entities to fill out Statements of Economic Interests (SEIs or Form 700s). SEIs serve a dual purpose: they make a filer aware of personal economic interests relative to a governmental decision, and they are an important disclosure document for the public and media.

The following individuals failed to file their Statement of Economic Interests forms on time or omitted required information:

Elizabeth Dietz, a member of the Registered Nursing Board, failed to timely file her 2006 annual statement of economic interests. **\$200** fine.

Timothy D'Orazio, a member of the Professional Engineers & Land Surveyors Board, failed to timely file his 2006 annual statement of economic interests. **\$200** fine.

Rex Van Valkenburg, a member of the West Sacramento Redevelopment Project Area Committee, failed to timely file his 2006 annual statement of economic interests. **\$200** fine.

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Major Donor

A major donor is a person or entity who makes contributions totaling \$10,000 or more in a calendar year and is required to file campaign reports detailing how much was contributed and to whom.

The following failed to file major donor reports as required by law:

Erickson-Hall Construction Co., of Escondido, failed to timely file two semi-annual campaign statements disclosing contributions totaling \$93,750. **\$1,600** fine.

Thomas D. Hormel Trust, of Pacific Palisades, failed to timely file two semi-annual campaign statements disclosing contributions totaling \$35,000. **\$1,600** fine.

Pfizer, Inc., of New York, New York, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$64,769 in 2007. **\$1,695.38** fine.

Barry Schuler, of Napa, failed to file two semi-annual campaign statements disclosing contributions totaling \$40,700 in 2006. **\$800** fine.

Late Contribution

When contributions of \$1,000 or more are made or received during the final days of an election—the time between the last campaign report required to be filed and the end of the election—late contribution reports must be filed within 24 hours of making the “late” contribution.

The following failed to file late contribution reports as required by the Political Reform Act:

Alfred G. Montna (Montna Family Trust, Montna Farms Affiliated Entities), of Yuba City, failed to timely disclose a late contribution totaling \$10,000. **\$1,500** fine.

Brooke Garber Neidich, of New York, New York, failed to timely disclose a late contribution totaling \$10,000. **\$1,500** fine.

Erickson-Hall Construction Co., of Escondido, failed to timely disclose a late contribution totaling \$10,000. **\$1,500** fine.

Organic Consumers Association, of Finland, Minnesota, failed to timely disclose late contributions totaling \$16,000. **\$2,400** fine.

Thomas D. Hormel Trust, of Pacific Palisades, failed to timely disclose a late contribution totaling \$10,000. **\$1,500** fine.

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